MULTIMEDIA UNIVERSITY®

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2022/2023

DIB5014 – INTRODUCTION TO INTERNATIONAL BUSINESS

(All sections/Groups)

23 NOVEMBER 2022
9.00 a.m. – 11.00 a.m.
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of 2 pages with 1 section.
2. Attempt **ALL** questions in Section A. The distribution of the marks for each question is given.
3. Please write all your answers in the Answer Booklet provided.

SECTION A: Structured Questions

QUESTION 1

(a) Politicians, economists, and businesspeople have been arguing for centuries over government policies related to international trade. Explain **TWO (2)** principal issues behind the rationale for trade intervention. (4 marks)

(b) Clarify the following terms:
(i) Free Trade. (2 marks)
(ii) Fair Trade. (2 marks)

(c) State and explain **TWO (2)** economic development programmes used by developing nations. (4 marks)

(d) Identify **THREE (3)** forms of tariffs levied on imported goods. (6 marks)

(e) Give **TWO (2)** reasons for a government to impose tariff. (2 marks)

(Total: 20 marks)

QUESTION 2

(a) Differentiate between direct exchange rate and indirect exchange rate. (4 marks)

(b) Explain **THREE (3)** categories of clients of the foreign exchange departments of banks. (6 marks)

(c) Describe the following terms:
(i) Spot market. (2 marks)
(ii) Forward market. (2 marks)
(iii) Swap transactions. (2 marks)

(d) List **FOUR (4)** forms of international banking. (4 marks)

(Total: 20 marks)

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QUESTION 3

(a) Justify **FOUR (4)** strategies that can be used by multinational corporations to obtain global efficiencies, multinational flexibility, and worldwide learning. (8 marks)

(b) List **THREE (3)** characteristics of a good strategic goal. (3 marks)

(c) Explain **THREE (3)** forms of corporate strategies with relevant example for each. (9 marks)

(d) Provide **FIVE (5)** international functional strategies. (5 marks)

(Total: 25 marks)

QUESTION 4

(a) Identify **FOUR (4)** factors that will be considered in assessing the alternative foreign markets. (4 marks)

(b) Provide **FOUR (4)** advantages of exporting. (4 marks)

(c) Explain intra-corporate transfer. Provide **ONE (1)** example. (3 marks)

(d) Define the following terms:
(i) International licensing (2 marks)
(ii) International franchising (2 marks)
(iii) Foreign direct investment (2 marks)

(e) A company could adopt any of the **THREE (3)** strategies if it decides to penetrate the international market. Briefly explain the strategies. (6 marks)

(Total: 23 marks)

QUESTION 5

(a) List **FOUR (4)** potential benefits of strategic alliances. (4marks)

(b) Define 'public-private venture'. (2 marks)

(c) State **THREE (3)** opportunies and **THREE (3)** challenges of the 'public -private venture'. (6 marks)

(Total: 12 marks)

End of Paper